

HOUSE BILL 336

By Hicks G

AN ACT to amend Tennessee Code Annotated, Title 11,
Chapter 11, Part 2 and Section 67-4-2109, relative
to adventure tourism districts.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-4-2109(a)(7), is amended by
deleting the subdivision and substituting instead the following:

(7)

(A) "Required capital investment", except for convention or trade show enterprises and enterprises located in areas designated as adventure tourism districts, means an investment of five hundred thousand dollars (\$500,000) in real property, tangible personal property, or computer software owned or leased in this state valued in accordance with generally accepted accounting principles. For businesses engaged in convention or trade show enterprises, "required capital investment" means an investment of ten million dollars (\$10,000,000) in such property in the same manner described for other enterprises. A capital investment is deemed to have been made as of the date of payment or the date the business enterprise enters into a legally binding commitment or contract for purchase or construction;

(B) For businesses engaged in enterprises located in an area designated as an adventure tourism district pursuant to § 11-11-204(c), "required capital investment" means an investment of one hundred thousand dollars (\$100,000) in such property in the same manner described for other enterprises. A capital investment is deemed to have been made as of the date of payment or the date

the business enterprise enters into a legally binding commitment or contract for purchase or construction. This subdivision (a)(7)(B) is deleted on July 1, 2027.

SECTION 2. Tennessee Code Annotated, Section 67-4-2109(b)(1)(C), is amended by designating the existing language as subdivision (i) and adding the following as a new subdivision:

(ii) This subdivision (b)(1)(C)(ii) applies to qualified business enterprises located in an area designated as an adventure tourism district pursuant to § 11-11-204(c). If the qualified business enterprise is located in a tier 3 enhancement county, the qualified business enterprise must, within the investment period, make the required capital investment and create at least ten (10) qualified jobs. If the qualified business enterprise is located in a tier 4 enhancement county, the qualified business enterprise must, within the investment period, make the required capital investment and create at least five (5) qualified jobs. The credit provided in subdivision (b)(1)(A) may only be granted if the commissioner of revenue has determined that allowance of the credit is in the best interests of the state. The credit first applies in the tax year in which the qualified business enterprise first satisfies the capital investment and job creation requirements and in subsequent tax years within the investment period in which further net increases occur above the level of employment established when the credit was last taken. This subdivision (b)(1)(C)(ii) is deleted on July 1, 2027.

SECTION 3. Tennessee Code Annotated, Section 67-4-2109(b)(1)(C), is amended by deleting the language "In order to qualify for the credit," and substituting instead the language "Except as provided in subdivision (b)(1)(C)(ii), in order to qualify for the credit,".

SECTION 4. Tennessee Code Annotated, Section 67-4-2109(b)(2)(C), is amended by adding the following as a new subdivision:

(viii) Any additional annual credit as provided for in this subdivision (b)(2)(C) is not allowed for any business plan filed on or after July 1, 2027, regardless of the location of the enterprise.

SECTION 5. This act takes effect upon becoming a law, the public welfare requiring it.